
THE PLATINUM PERSPECTIVE

TOPIC:

LEASING YOUR PROPERTY ?

It doesn't take much reflection to conceive of problems in abundance in trying to manage a property at remote control from overseas.

Most home-owners don't particularly want to hassle with duties like rent collection and routine upkeep. This takes them on the search for someone to manage their property.

What can be expected of a professional property manager? What is a reasonable expectation in the way of income in relation to fees incurred by hiring someone to manage things in your absence?

Lee & Darla Wood, owners of Platinum Property Management, outlines the tasks their company undertakes in the management of a house, condominium or apartment residence.

- Determining rental value and making suggestions for improvements to get the highest possible rent.
- Advertising and the placing of signage
- Processing potential tenants' applications and checking their references
- Collecting the rent
- Maintaining the property or residence

There are fees due for these services:

- A leasing fee amounting to fifty percent on the first month's rent; this is paid upon the property being leased
- A management fee; which amounts to ten percent of actual collections
- A renewal leasing fee of twenty five percent; this is collected upon securing the tenants renewal of their lease contract.

The Owner must be prepared financially for the first few months' rental income to be low because in addition to the normal operating fees it is during this time that flaws tend to be discovered requiring repairs thus increasing the expenses.

How are tenants selected? Experience is necessary however a lot of it is intuitive. Platinum carefully screens its applicants, however when we do select a tenant, we cannot be prejudicial. Some owners may not understand that. A management company has the freedom to choose tenants and to make rental agreements with them. The property owner is therefore not on a direct contractual basis with the tenant. The management company's business is to maximize the owner's return, and a good company will seek to do so on a long-term basis.

Some understanding is required on the part of the owner at this point. The management company may ask for a slightly lower rent than the owner would like in order to assure a longer occupancy.

Many people perceive the management of long-term tenants to be an easy job. To the contrary, it involves making sure rental payments are good, that the property is kept up, that the tenants comply with rules, restrictions and property by-laws.

A property management company acts the same as doctors; it is their business to keep the property healthy. When property maintenance repairs are done, expenses may seem high to owners who may have always done their own repairs and have never put a cost on their labor or simply overlooked the repair needed.

It is most important that the owner recognizes that in the case of an emergency that threatens the residence, those situations must be dealt with immediately to avoid more costly future repairs. Although preventative maintenance is performed, the unexpected will certainly occur.

If the care of your property is important to you, it is definitely to your advantage to hire a professional and you just won't find a better or more experienced management company than Platinum Property Management & Realty.



What A Property Manager Can Do